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## Feds to try suit against Blue Cross

*Ex-worker's lawsuit alleges Medicare fraud*

By Chuck Springston  
Business writer

The federal government has taken up the cause of a former Blue Cross and Blue Shield of Florida employee who filed a suit last year accusing the company of defrauding the Medicare program.

The U.S. Justice Department said it will "intervene" in the lawsuit.

That action "means the Justice Department takes it over," said Joe Krovisky, a department spokesman. "We will try the case."

The civil suit was filed in February 1991 in U.S. District Court in Jacksonville by Theresa Burr, who worked at Blue Cross and Blue Shield of Florida Inc. from 1980 to 1989. No trial date has been set.

Jacksonville-based Blue Cross has a contract from the federal government to process certain types of claims submitted by Medicare patients throughout Florida. Medicare is the federal health insurance program for the elderly and disabled.

Ms. Burr filed her suit under the federal False Claims Act, which allows people to sue companies or individuals who have submitted false claims to the government.

She alleges that Blue Cross has mishandled Medicare claims and thus caused the federal government to pay excessive amounts for some medical services and inflated administrative fees to Blue Cross.

Blue Cross spokesman Patrick McCabe said yesterday, "At this time it would be inappropriate for us to comment on the specific allegations; however, we do believe the allegations of wrongdoing are without merit."

If Blue Cross loses the suit, it could be forced to pay the government up to three times the amount of the actual loss and civil penalties of \$5,000 to \$10,000 for every violation of the False Claims Act.

The lawsuit does not include any estimates of how much money the government lost because of the alleged violations.

The False Claims Act allows the person who filed the lawsuit to get a portion of the money recovered by the government.

Ms. Burr claims that the overpayments happened, in part, because of deficiencies in the computer system Blue Cross uses to process Medicare claims.

Her suit charges that in late 1988

Blue Cross switched its computer processing services from Electronic Data Services Corp. to GTE Data Services Inc., knowing that the GTE system was not able to process claims accurately and timely.

She further alleges that employees were told to delete some claims from the system because the computers couldn't process them promptly and accurately — a decision that led to resubmitted claims and higher administrative costs, according to the suit.

Although Ms. Burr's suit focuses on problems created by the new computer system, it also accuses Blue Cross of various Medicare violations dating back to 1986.

Justice Department spokesman Krovisky said the department will review the information that Ms. Burr has submitted and could make some changes in her original suit.

"We may subtract some of the allegations or we may add some," he said.

In August 1989, Ms. Burr resigned from Blue Cross "under protest," according to her suit.

Ms. Burr's charges first gained publicity in the fall of 1989 when she and another former Blue Cross employee laid out their complaints in affidavits filed with the Health Care Financing Administration, the federal agency that oversees Medicare.

The Office of Inspector General for the U.S. Department of Health and Human Services then launched an investigation of the matter.